# GOVERNMENT OF INDIA
# TEXTILES
# LOK SABHA

UNSTARRED QUESTION NO:6673
ANSWERED ON:10.05.2002
HANDLOOM WEAVERS
RAMESH CHENNITHALA

**Will the Minister of TEXTILES be pleased to state:**

(a) the actions taken so far to improve the garment export from India to western countries in the wake of the new Exim Policy;

(b) the total amount disbursed during the last year to exporters as subsidy; and

(c) the action taken by the Government to improve the textile industry including the welfare of handloom weavers and handloom sector ?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) The new Exim Policy 2002-07 announced on 1.4.2002 incorporates a number of features/schemes with a specific focus on garment exports, which include:-

(1) Inclusion of sample fabrics (upto 200 meters in a financial year) in the list of trimmings and embellishment items allowed to be imported on duty-free basis.

(2) 10% variation in Gram per Sq. Mtr. allowed for fabrics imported under duty-free Advance Licensing Scheme.

(3) Additional items such as zip fastners, inlay cards, eyelets, rivets, eyes, toggles, velcro tape, cord and cord stopper included in input output norms for garment exports under Advance Licensing Scheme.

(4) With a view to encouraging further development of centres of economic and export excellence such as Tirupur for hosiery, woollen blankets in Panipat, woollen knitwear in Ludhiana, benefits shall be available like EPCG for common service provider, accessing of funds by recognised associations under the Market Access Initiative Scheme and Entitlement for Export House status at Rs. 5 crores instead of Rs. 15 crores.

(5) Provision for neutralising high fuel cost made.

These features/schemes of the Exim Policy have been given wide publicity amongst the garment exporters by the Apparel Export Promotion Council to facilitate them to avail themselves of these facilities.

The above initiatives, alongwith other factors, have resulted in overall increase in garment exports, including to western countries. The quota exports of garments to US and Member States of EU during the month of April 2002 have increased by 20.6% in quantity terms and 17.1% in value terms in comparison to April 2001.

(b) The Government does not disburse any subsidies in respect of garment exports. However, several export promotion schemes such as Duty Exemption Pass Book, Duty Drawback, Advance Licensing Schemes etc. are in operation to enhance the exports of ready-made garments.

(c) Government have been taking several steps from time to time to strengthen and promote textile industry and the welfare of handloom weavers and handloom sector. Some of the important initiatives are:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also announced the de-reservation of knitted segment in the Budget 2002-03.
ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.
iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.
iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.
v) Foreign equity participation upto 100% through automatic route has been allowed in

the textile sector with a few exceptions.

vi) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

vii) Government has launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton-processing facilities by upgrading/ modernizing the existing ginning and pressing factories.

viii) To prepare and sensitise the textile industry to conform to the ecological requirements of importing countries by providing facilities by way of eco-testing laboratories.

ix) The Office of the Development Commissioner for Handlooms has been implementing the following Plan schemes for the welfare of handloom weavers and development of handloom sector:-

(i) Deen Dayal Hathkargha Protsahan Yojana,

(ii) Development of Exportable products and their Marketing Scheme,

(iii) Workshed-cum-Housing Scheme,

(iv) Health Package Scheme,

(v) Group Insurance Scheme,

(vi) New Insurance Scheme,

(vii) Thrift Fund Scheme.